

**VOTE 8: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

**VOTE 13: HUMAN SETTLEMENTS**

**BUDGET VOTE SPEECH FOR THE 2016-2017 FINANCIAL YEAR**

**PRESENTED BY MEC SM MLAMLELI**

**MEMBER OF THE EXECUTIVE COUNCIL FOR COOPERATIVE GOVERNANCE,  
TRADITIONAL AFFAIRS AND HUMAN SETTLEMENTS**

16 March 2016

Honourable Speaker

Honourable Premier and Members of the Executive Council

Honourable Members of the Legislature

Executive Mayors, Mayors, Honourable Speakers, Chief Whips and  
Councillors

Chairperson of SALGA and the Executive Committee

Director General of the province

Head of Departments

Marena le Dikgosi

Veterans and stalwarts of our Liberation Struggle

Distinguished guests

Comrades and friends

Ladies and Gentlemen

Madame Speaker, I stand here in the context of the human rights month and on the eve of our Human Rights Day, 21 March. This is the meaning upon which I anchor this speech for our work is about rights; the right to a home, the right to services.

At the core of the human factor lies the innate need to survive, to thrive, and to grow in every possible way towards self actualisation. For this, humanity needs a nurturing environment; first a sound home, then a community, a society, a country and the world; these provided in a well coordinated, integrated and sustainable manner. This creation of an enabling environment for nurturing humanity is at the core of the responsibilities of the two departments - cooperative governance for working together coherently in government towards integrated sustainable development; and human settlements for providing decent shelter which is a basis for overall sustainable development and human progress.

Our work is cut out as a constitutional right; the right to a home and the right to a government that serves its people justly and consistently. These are stated in Chapter 2 of the Constitution, the Bill of Rights in the clause: There shall be Houses, Security and Comfort; and in Chapter 3 and Chapter 7 for co-operative government mainly. Chapter 12 of the Constitution is the cornerstone of our work in Traditional Affairs.

Madame Speaker, this budget vote is also presented within the context of a year punctuated by several anniversaries of important milestones in the history of our democratic dispensation.

Chief among the memorable milestones is the celebration of 60 years of the Women's March to the Union Buildings in 1956. Other anniversaries are; the 40 year celebration of the June 1976 Youth Uprising as well as the 26th anniversary of the release of our iconic Madiba from prison in February 1990.

Presenting this speech in the Human Rights Month, makes the context even more relevant to acknowledge all our heroes, who laid down their lives for us to have the rights that we now enjoy. We reaffirm our clarion call that their lives were not lost in vain. We have learnt from the struggle leaders of other nations like Guizeppe Mazzini of Italy that, "the tree of liberty grows stronger when watered with the blood of the Matyr" and also that "the dagger of an (liberation seeking) assassin becomes deadlier when sharpened on the tombstone of the Matyr."

To this end government has decided to celebrate this important day, 21 March 2016, this year as the **NATIONAL DAY AGAINST RACISM** as an effort to rebuke and discourage the recent upsurge of inhumane incidents of racism in our country. The activities and interventions to be embarked upon will, indeed, be a befitting memorial for these matyrs that died in 1960. The tree of liberty has, indeed, grown stronger after being watered with their blood!

The beloved and world-renown father of our constitutional democracy, the late former President Nelson Rolihlahla Dalibunga Mandela told us that, “to love another person comes naturally but hatred of another human being is something that one is taught.” He equated racial prejudice with resentment and enjoined us and future generations to always remember that “Resentment is like drinking poison and then expect your enemy to die from that poison.”

Our ever conscientious government drew Outcome 13 and 14 as part of the 2014-2019 Medium Term Strategic Framework (MTSF). Outcome 14 - A diverse, socially cohesive society with a common national identity - seeks to address the key issue of racism still lurking in our society as well as to pursue and foster Nation Building and Social Cohesion, so that it can be our guiding policy that will rid our society of this residue of the apartheid system. We will roll our sleeves and put the shoulder to the wheel in our collective effort to annihilate the scourge of racism in our country and province.

Madam Speaker, *Re a Hlasela, We have delivered*, and we have really moved the Free State and South Africa forward.

The Freedom Charter states that “The people shall govern,” and that “There shall be houses, security and comfort.” These clauses underpin our mandates for human settlements development and for cooperative governance and traditional affairs. They are also germane to both the Nine-Point Plan announced by Honourable President Jacob Zuma in his State of

the Nation Addresses (SONAs) of February 2015 and 11 February 2016 and the Ten-Point plan of the Back to Basics Local Government revitalisation programme. Both emphasise acceleration of access to water and sanitation. It must be remembered that "Water is Life" and "Sanitation is Dignity."

Madame Speaker, let me deliberate and reflect on the progress we have made against our commitments in our Budget Vote Speech delivered on 19 March 2015.

### **Informal settlements upgrading**

In terms of Informal Settlements Upgrading programme, we have assisted municipalities to develop the Informal Settlements Upgrading Chapters as part of their Integrated Development Plans. These enabled municipalities to clearly indicate the extent of the informal settlements and required planning. We have thus drawn implementation plans in the following local municipalities:

- Nala
- Tswelopele
- Letsemeng, and
- Phumelela.

Madam Speaker, to illustrate our developmental intervention in informal settlements within the province, we have developed a **Free State Informal Settlements Trends Analysis and Dashboard** of all **143 settlements** in

the province. The Trends analyses indicates that between 2011 and 2014 the informal settlements in NUSP (National Upgrading Support Programme) municipalities have reduced in numbers, for example in Mangaung they have been reduced from 65 to 35 while in Matjhabeng the reduction has been from 48 to 21. In smaller municipalities like Mafube there has been an increase from 1 to 2 whereas those in Mohokare and Kopanong have been constant at 3.

The upgrading of informal settlements remains a key focal area. We will continue to upgrade our informal settlements with access to basic municipal engineering services, providing security of tenure and continue to build where people stay. To this end, a total of **7449 sites** will be serviced with internal water and sewer reticulation in this financial year at the cost of **R 267, 322 million**. The areas whose sites will be serviced in 2016/2017 are:

- Caleb Motshabi: 1000
- Refengkgotso: 1614
- Wesselsbron: 500
- Bultfontein: 400
- K10 in Odendaalsrus: 500
- Matlharantlheng in Bothaville: 100
- Homestead, Bronville in Welkom: 200
- Phokeng in Thabong: 300
- Ditjhokoloteng in Thabong: 300
- Hani Park in Thabong: 300
- Vrede Roads and storm water: 750

## **Individual units provided**

During the year under review we built **5313** housing units across all programmes. The programmes included in this performance figure are the Breaking New Ground (BNG) houses, Land Restitution, Social Housing, Community Residential Units, Military Veterans, FLISP, Rectification including the demolition of two rooms and their reconstruction etc.

## **The Housing Assistance to Military Veterans**

This programme was launched in December 2015 with handing over of 17 houses in Lourierpark, Bloemfontein, at a function where honourable Deputy Ministers for Human Settlements and of Military Veterans, Me Zoe Kota-Fredericks and Mr Kebby Maphatsoe respectively, and the President of the South African Military Veterans Association, Mr Lucky Maginx, were present. The programme is progressing relatively well under the able management of the Coordinator of the Military Veterans Programme, Me Suzan Mnumzana.

To date we have already spent **R10 million** on the already 30 constructed houses. We had planned to construct 224 units but the shortage of serviced sites hampered our efforts. Currently we have 51 approved beneficiaries under the programme.

The Honourable Premier has requested the municipalities to avail serviced sites for the houses of military veterans to be built thereon. The required

sites being those still to be availed by the local municipalities will accommodate the following projects:

- Naudeville Ext 2, in Matjhabeng: 21 beneficiaries
- Brandkop in Mangaung: 146 beneficiaries
- Metsimaholo: 6 beneficiaries
- Ngwathe: 6 beneficiaries
- Seisoville, Kroonstad in Moqhaka: 9
- Viljoenskroon in Moqhaka: 1

## **Land Restitution**

During this financial year we ensured that "Land Restitution" does have meaning to the eligible households by building houses for them in the following areas:

- Harrismith, Schoonplatz: 98 units
- Henneman, Marantha: 27 units
- Kroonstad, Marabastad: 145 units
- Wepener: 1 unit
- Wesselsbron, Marantha: 32 units
- Dewetsdorp: 5

The major challenge impacting on these houses is that they are often not occupied as there is no electricity in servicing these units as the projects are in some cases far from amenities.

## **Finance Linked Individual Subsidy Programme (FLISP)**

The department, together with the Free State Development Corporation (FDC), the National Housing Finance Corporation (NHFC) and major banks, will continue rolling out the Finance Linked Individual Subsidy Programme, or FLISP, to assist the GAP market i.e. those who earn too much to qualify for government fully subsidised houses and too little to qualify for loans in traditional financial institutions.

To date Madam Speaker, we have assisted 48 households in the following areas:

- Welkom
- Bloemfontein
- Kroonstad
- Henneman
- Allanridge
- Botshabelo
- Qwaqwa
- Virginia
- Odendaalsrus

The FDC has already approved loan applications for **176** applicants even though the organisation has budgetary constraints. I have already met the Standard Bank's Head of Public Sector Banking, Free State Business Banking, **Mr Will Choene** to explore the partnership with Standard Bank

regarding the implementation of FLISP. One can safely say Standard Bank is on board. Both Nedbank and Old Mutual have also expressed keen interest in forming partnership with the department with loans for FLISP.

### **State-led Social Housing and Community Residential Units**

All of the one thousand and fifty one (1051) units of the Brandwag Social Housing project valued at **R 72, 196 million** will be completed by June 2016. The development of 400 of the 950 social housing units valued **R 62, 247 million** at Hillside View will also be completed by June 2016.

The development of Community Residential Units (CRUs) is underway at the following project sites set to produce the relevant number of units against the stated budget:

- Dark and Silver City Hostels in Mangaung, 812 units at **R 199 million**
- G Hostel in Welkom will yield 586 units at **R 220 million**
- Merriespruit in Virginia, is 99% complete, at **project value of R 130 million** and
- Hostel 4 in Sasolburg will yield 300 units at **R 116 million**

### **Eradication of backlog for title deeds**

The registration of deeds of transfer (title deeds) and their subsequent handing over to beneficiaries continue to be our priority, hence the development of a **Title Deeds Restoration** programme. The department

has been working closely with municipalities in determining the backlog in the province especially because the majority of the housing units whose occupants and /or owners do not have title deeds were built prior to 1994 when the country's African majority were prevented to own land by the draconian Land Act of 1913.

Our performance during the current financial year is that a total of 893 title deeds have been registered under the following Acts:

- The Conversion Act , No 81 of 1988 - 525 deeds
- The Housing Act , No 107 of 1997- 368 deeds

A provincial Steering Committee led by the Head of the Department has been established for co-ordinating the land tenure function across the province. Given the high number of title deeds, a total of 63501, that are part of the backlog that needs to be eradicated, this year the department has ring-fenced **R 29, 474 million** for registration and transfer of title deeds to **29 000** beneficiary households.

### **Implementation of projects enabling higher levels of spatial, social and economic integration**

We have developed the Multi-Year Housing Development Plan (MYHDP), which assists in consolidating municipal and departmental projects, identifying priority projects as well as implementation process over a five year scope.

Plans have been developed to transform the apartheid spatial inequalities through the Master Spatial Plans and the Spatial Transformation Plans in areas like Matjhabeng Local Municipality which will be developed in the next financial year. All these plans as well as consequent developments will continue to be fully compliant with the new Spatial and Land Use Management Act (SPLUMA), No 16 of 2013 that came into operation on 1 July 2015.

Madame Speaker, the Premier in his 2016 State of the Province Address (SONA) emphasised our commitment to complete the envisaged housing development in Ventersburg for black and white citizens in order to encourage spatial and racial integration while discouraging urban sprawl. *Re hlasela racism through social integration.*

### **Catalytic projects**

As part of ensuring development planning on acquired land, an urban design concept for catalytic project areas has been completed for Vogelfontein (Baken Park) in Dihlabeng Local Municipality and is underway in Metsimaholo Local Municipality for properties in Sasolburg, and in Mangaung Metro for Caleb Motshabi. In the latter project, which has 7000 sites, a contractor has been appointed to do a Turnkey project which entails the services audit, services design and installation, housing design and top structure construction.

In conjunction with Mangaung Metro, we are finalizing the process of urban design in 49 properties at Estoire where construction of a mixed housing development will ensue in due course.

### **The Operational Capital Budget Programme (OPSCAP)**

The Division of Revenue Act (DORA) Framework allows the department to top-slice a maximum of 5% of its annual Human Settlements Development Grant (HSDG) allocation and utilise same to pay for the technical support necessary to assist the Department to deliver on its mandate of human settlements delivery. During the current financial year the funds availed through OPSCAP were used to pay:

- The HDA (Housing Development Agency) for the technical support of identifying, acquiring and assembling strategically located land parcels.
- Project managers
- The Auditor General for the audit fees
- Ernst & Young for financial management support
- NURCHA (National Urban Reconstruction and Housing Agency) for project management support.

The funding for 2016/17 will continue to pay for the above support with the exception of NURCHA as it has been since discontinued.

### **Strengthening accreditation and assignment of municipalities towards human settlement development**

Motsamaisi wa dipuisano, here we will ensure that we continue to provide support to five local municipalities, namely Maluti-a-Phofung, Metsimaholo, Dihlabeng, Moqhaka and Matjhabeng to achieve Level 1 Readiness. It is envisaged that in the 2016/2017 financial year, the first three local municipalities will be assessed by the national Department of Human Settlements to determine their readiness to perform Level 1 Accredited Functions. The remaining two municipalities will be assessed during the 2017/2018 financial year.

The department has been supporting Mangaung Metropolitan Municipality to perform Level 1 and 2 accredited functions. We envisage conducting their readiness assessment for Level 3 Accreditation (Assignment) in the 2016/2017 financial year.

Madam Speaker, the above achievements have successfully and pleasantly put behind us the second year of the Five Year of the Implementation Plan as required by the 2014-2019 MTSF. Our people who have benefited through all these programmes have reaped the benefits of freedom as espoused in the Freedom Charter. They have **houses**, **security** and **comfort** of access to water, sanitation and electricity. *They have homes!*

### **The Govan Mbeki Human Settlements Awards 2015**

In honour of the stalwart of our liberation struggle Govan Mbeki, we successfully hosted the Provincial Govan Mbeki Human Settlements where

the following contractors' contributions to human settlements delivery in the province were accordingly acknowledged:

- Best Woman Contractor: GT Molefe Construction (Harrismith/Tshiame)
- Best Informal Settlements Upgrading project: Superb Homes and Kitchen Manufacturers (Thabapatsoa )
- Best Priority Project: E'tsho Engineering and Project Management (Welkom/Thabong)
- Best Rural Human Settlements Project: GT Molefe Construction (Qwaqwa-Bolata/Phamong).
- Best Community Residential Units Project: Stefanuti Stocks Housing (Sasolburg/Zamdela )
- Best Contractor in the Non- Subsidy: GT Molefe Construction ( Phuthaditjhaba Elite)
- Best Social Housing Project : Freshco (Bloemfontein/Brandwag )
- Premier's Merit Award: Superb Homes and Kitchen Manufacturers

We have committed ourselves to assisting the national Department of Human Settlements and the ANC government to utilize available resources to achieve targets set by the MTSF and the National Development Plan (NDP).

Madam Speaker, it is apt for one to reiterate the gist of our mandate and commitments by quoting what the Honourable Premier E.S. Magashule had to say in his State of the Province Address (SOPA) on 16 February 2016:

“The establishment of integrated human settlements as opposed to the mere provision of houses has continued to progress well. Over the past two financial years, we have delivered more than 9000 housing units across all human settlements programmes. Women contractors were allocated 49% of these projects which is well above the national standard of 30%. We will focus extensively this year on finalizing the transfer of title deeds of completed projects to beneficiaries.

Our progresses with human settlements include:

- Completion of all 1051 units of the Brandwag Social Housing project by June 2016. The development of 400 of the 950 social housing units at Hillside View will also be completed by June 2016.
- The development of Community Residential Units (CRUs) is underway at Dark and Silver City Hostels in Mangaung, Masimong and G Hostel n Welkom, Merriespruit in Virginia and Hostel 4 in Sasolburg.
- To deal with the housing backlog in Metsimaholo we have acquired land measuring approximately 495 hectares in Sasolburg. This property has potential of yielding in excess of 7000 housing opportunities.
- The Vogelfontein mixed housing development project has potential to yield in excess of 5000 housing opportunities. Phase one of this project, focusing on BNG houses, is currently under development and subsequent phases will accommodate middle and higher income groups.
- We will continue with installation of both water and sewer networks in Matjhabeng, including the development of K10 in Odendalsrus and

Phokeng in Thabong. A services audit has been completed in Caleb Motshabi and final design work is in progress.

- We launched the Military Veterans housing programme during December 2015 when the first of these were handed over to eligible households in Lourierpark, Bloemfontein. This programme will continue to unfold this year.
- To ensure the geographic spread of human settlements service provision with regard to the construction of housing units in the Xhariep region, we have set a target of building a minimum number of housing units in each town in this financial year.”

Furthermore, Madame Speaker, we will do the following:

The current G hostel blocks, in Welkom, will be demolished once the new units in the adjacent site have been completed.

A services audit has been completed of Caleb Motshabi settlement and the process of design for services is in progress. The installation of water and sewer will take place during 2016/17 financial year and the construction of top structure in the subsequent year.

The massification programme will be enhanced to increase our efforts to create job opportunities in an endeavor to address the triple challenge of poverty, inequality and unemployment. Our high impact delivery programme Operation Hlasela will be enhanced and replicated to some projects to be implemented through Expanded Public Works Programme (EPWP) and Community Work Programme (CWP). We have completed the

Ficksburg project and the Senekal project will be completed in the 2016/2017 financial year.

A feasibility study will be conducted by the Department of Public Works & Infrastructure in Viljoenskroon within the Moqhaka Local Municipality to determine the feasibility of a Community Residential Units (CRU) project.

Intergovernmental relations will be explored and exploited to ensure that the Department of Water and Sanitation (DWS) prioritizes key human settlements projects which are adversely impacted by the absence or shortage of complementary bulk water and sanitation infrastructure through their allocation of Regional Bulk Infrastructure Grant (RBIG).

Incrementally and with budget constraints permitting, the department will increase its presence and footprint in all the 20 towns in the Xhariep District through various projects under various programmes. The 9 towns which the department will extend its presence are:

- Luckhoff
- Phillipolis
- Koffiefontein
- Jacobsdal
- Fauresmith
- Van Stadensrus
- Rouxville
- Petrusburg

- Wepener

In pursuit of stringent fiscal discipline, the beneficiary households will be actively encouraged to demolish their dilapidated, two room and defective houses themselves in an effort to reduce the demolition costs so that the department can only intervene with the construction of new units.

Possible and sustainable partnerships will be explored with development-orientated **Development Finance Institutions (DFIs)** and **State Owned Companies (SOCs)** to provide supplementary and complementary funds to ensure that the department meets its MTSF targets despite the budget cuts of the human settlements sector's budget by approximately R 1, 6 billion. The department's share in budget cuts is approximately R104 million.

The entire Human Settlements Development Grant for 2016/2017 amounting to **R 1 , 098 billion (R 1 098 411 000-00)** will be invested **pro rata** in various districts in the following percentages to build **5016 housing units** across all programmes and service **7449 sites**

- Thabo Mofutsanyana: 12% at a cost of **R 129 ,419 million** for 750 sites, 233 units and 9590 title deeds
- Fezile Dabi: 19% at **R 203,196 million** for 2491 sites, 1226 units and 4299 title deeds
- Lejweleputswa: 31% at a cost of **R 328,309 million** for 3208 sites, 2562 units and 6378 title deeds
- Mangaung: 34% at **R 364,453 million** for 1000 sites, 691 units and 5855 title deeds

- Xhariep: 4% at a cost of **R 43,673 million** for 168 units and 976 title deeds

The following programmes: Accreditation of Municipalities, Planning and Services, Top Structure construction, Acquisition and/ Release of Land parcels, Social Housing, Community Residential Units, Land Restitution and Title Deeds Restoration, will be implemented in all districts or regions and all 19 local municipalities and Mangaung Metropolitan Municipality to realize the above stated number of sites accessing water and sanitation and /or housing units constructed and title deeds registered per district or region.

Madame Speaker let me hasten to announce that the Provincial Treasury has, for 2016/2017 availed an additional **R50 million** earmarked for demolition and construction of two room houses across the province.

These efforts by the department will ensure compliance with our obligations as per the ruling party's election Manifesto, the Freedom Charter, the Constitution, the Breaking New Ground Plan and in turn really assist in retrofitting the current settlements into the integrated and sustainable Human Settlements required by the National Development Plan.

The Honourable Premier E.S. Magashule has succinctly captured the challenging times posed by the slow economic growth in his 2016 State of the Province Address when he said, "More than ever, the year 2016 presents we with the opportunity to practice serious fiscal discipline necessitated by a shrinking provincial revenue envelope without compromising service delivery. This must be done whilst we also explore

and support initiatives that will stimulate the provincial economy. We have embarked on this complex journey by participating in an initiative led by National Treasury that aims to ensure that we do not compromise the priorities set out in the Freedom Charter, the National Development Plan and the 2014-2019 Medium Term Strategic Framework.”

## **COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

Honourable Speaker, in our 2015 budget vote speech, we made commitments to the agenda of Outcome 9: A Responsive, accountable, effective and efficient local government system; an agenda that seeks to ensure that our local government sphere is well supported to serve our people and indeed improve their lives. Local government, Madame Speaker, is the sphere of government where all of government work converges; where our people are and where our services are needed most. Our responsibility is to ensure that this work is well coordinated for achievement of the desired impact.

This past year was also the first year of implementation of the Back to Basics approach to government, which seeks to do just that – going back to basics of serving with intent and humility, to make democracy really meaningful and tangible to our people.

This year, 2016, is the year of advancing people’s power. Local government is in all of our hands, let’s make it work.

I will not be just Madame Speaker if I do not mention that the 16 years of local government that we are celebrating this year, have not come without challenges. This sphere, by its nature as the end point of service delivery, measures our own performance as government. Much of challenges experienced in local government are rooted in our past. Let us take the issue of electricity debt and infrastructure inadequacies for instance.

Madame Speaker it is undeniable that the history of spatial disparities and segregation meant that resources as inherited in 1994 were limited to a select few. With freedom and aspirations of our people to move into the urban area, the portions of these services were now far too little to cater for this unprecedented population expansion. This matter is playing itself out as inadequacies currently revealed in this era. These are however the results of apartheid policies and planning which must be undone simultaneously as we strive to meet the needs of our people equally.

In responding to the extent to which the two departments honoured commitments made, we can report as follows:

Integrated Development Plans (IDPs) are the cornerstone of municipal work as they ensure public participation, coordinated planning and democracy – government by the people for the people. In enhancing legally-compliant Municipal Integrated Development Plans (IDPs), we held an IDP alignment workshop with all district and local municipalities on alignment of municipal IDPs with the National Development Plan (NDP), the Medium Term Strategic Framework (MTSF) and the Free State Growth and Development Strategy (FSPGDS). The workshop was conducted for IDP Managers and Section 56 Managers. The department will continue to

arrange similar workshops with remaining municipalities during 2016/2017 towards improving integrated planning on municipal level.

We have indicated last year that the department will focus on among others the training of municipal officials and Councilors and analyzing the capacity of municipalities to successfully implement the Spatial Planning and Land Use Management Act (Act 16 of 2013), which serves to bridge the racial divide as well as provide measures to transform the settlement patterns of the country created by previous discriminatory legislation.

During the year under review, the department completed the draft Spatial Planning Bill, which intends to regulate matters related to land use management, township establishment, spatial planning, subdivision of land, consolidation of land, removal of restrictions and other matters related to provincial planning and municipal planning. The Bill will henceforth be submitted to the Free State Legislature for tabling during the 2016/2017 financial year.

Madame Speaker, as mentioned last year, performance contracts and employment contracts form the basis for the strengthening of administrative and institutional capabilities of municipalities. As the status of signed Performance Agreements and Employment Contracts within municipalities was not as it should be, and needed to be improved, the department undertook to strengthen its support to municipalities towards complying with the provisions of the Local Government Regulations on the appointment and conditions of employment of senior managers (2014). I

also indicated that the support provided by the department during the 2015/2016 financial year will include support on the filling of top critical posts within municipalities as well as successful implementation of a functional performance management system; the latter will result in municipalities timely submitting their annual performance reports (Section 46 of the Municipal Systems Act, Act No. 32 of 2000).

In response to above commitments, I can report that we successfully launched a (provincial) Performance Management Forum during June 2015, with the objective to assist and support municipalities towards complying with legislation relating to the (municipal) performance management system (e.g. the filling of section 56 posts and the conclusion of performance agreements and employment contracts). The Provincial Forum will meet twice a year towards ensuring that municipalities comply with legislative requirements in this regard, while district-based forums will be held every quarter. Twenty (20) municipal managers submitted their 2015/2016 performance agreements. Municipalities also tabled their 2014/2015 Annual Performance Reports during the year under review.

Honourable Speaker, the successful implementation of the Management Support Programme and other initiatives in municipalities, in partnership with the Provincial Treasury and other strategic partners, yielded significant results. While the majority of municipalities demonstrated the ability to sustain good audit opinions from prior years, a number of municipalities succeeded to improve their audit outcomes.

Through the Municipal Support Programme, the department appropriated an amount of R 27, 03 million during the year under review to deploy specific companies to Maluti-a-Phofung, Metsimaholo, Ngwathe, Matjhabeng and Moqhaka municipalities. A further R 7, 7 million was appropriated to deploy individual expertise to Matjhabeng, Nala, Naledi, Mantsopa, Mohokare, Kopanong and Letsemeng municipalities. The department also assisted Setsoto, Mantsopa and Mafube municipalities with technical expertise towards ensuring Generally Recognised Accounting Practice (GRAP) 17 compliance, in partnership with the Institute of Municipal Engineering of Southern Africa, at a cost of R 4, 6 million, resulting in Unqualified and Qualified Opinions in Setsoto and Mantsopa municipalities respectively.

Fezile Dabi and Thabo Mofutsanyana district municipalities improved their Audit Opinions, with Thabo Mofutsanyana receiving a Clean Audit.

Mafube, Maluti-a-Phofung and Matjhabeng local municipalities require dedicated support towards ensuring that they move away from Disclaimers; the same applies to the Phumelela Local Municipality.

**The monumental achievement of the Ngwathe Local Municipality to improve from 17 consecutive disclaimers to an unqualified audit opinion in 2014/2015, serves as an inspiration to the above municipalities. The improvement from a Disclaimer to an Unqualified and Qualified audit finding in the Nala and Mantsopa Local Municipalities respectively is also commendable. Progressive change**

**of this nature demonstrates the value that derived from support strategies and initiatives such as the Back-2-Basics Programme.**

Madam Speaker, while celebrating success stories in Local Government, it is to be acknowledged that municipalities still face major service delivery, financial viability and liquidity constraints which require urgent attention. In ensuring the financial viability of municipalities, the department assisted struggling municipalities financially with R33, 5 million during the year under review. These municipalities include Xhariep, Kopanong, Mantsopa, Thabo Mofutsanyana Setsoto and Dihlabeng municipalities.

Following the appointment and deployment of 38 Cuban Engineers to 18 municipalities within the province to assist such municipalities in infrastructure project planning as well as operations and maintenance projects, we have noted a considerable improvement in municipalities maintaining their assets where capital infrastructure was injected.

Honourable Speaker, the Municipal Infrastructure Grant (MIG) continued to contribute towards municipal service delivery in the Province during the past year. An amount of R338 million (47%) out of an allocation of R717 million was spent by municipalities as at the end of January 2016 towards the Municipal Infrastructure Grant (MIG) for the 2015/2016 financial year, and more specifically as per the following categories:

- Water: 8% (R30m)
- Sanitation: 30% (R103m)
- Roads, storm water and pedestrian bridges: 35% (R119m)

- Cemeteries: 1% (R3m)
- Sport and recreation, multipurpose centers: 10% (R34m)
- High mast lights: 6% (R19m)
- Project Management Units: 6% (R19m)
- Solid waste disposal: 1% (R2m)
- Taxi ranks: 1% (R3m)
- Fencing: 1% (R2m)
- Street trading (such as hawker stalls): 1% (R4m)

Nine (9) municipalities reached the January 2016 provincial expenditure target of 50% for the 2015/2016 financial year. A further five (5) Municipalities reached a percentage of 45% - 50% and two (2) Municipalities spent between 35% - 41%. The remaining three (3) Local Municipalities (Mohokare, Naledi and Mafube) spent less than 32%. These municipalities will continue to be supported through monthly interventions, quarterly MIG Forum meetings and one-on-one sessions, thereby ensuring that they spend 100% of their allocation by the end of June 2016 (when the MIG financial year comes to an end)

Municipalities still have the opportunity to spend their full allocation by the end of June 2016. The municipalities that are currently underspending are closely monitored by the Department and interventions are scheduled to fast-track expenditure. The Department will continue to provide assistance to municipalities on MIG project planning, expenditure, reporting, the unblocking of projects and various technical matters.

In ensuring an increase in provision of potable water to households, and specifically in relation to the pre-2004 backlogs, 605 626 of the targeted 615 909 households were provided with water by the end of January 2016. A total of 13 899 Stands of the total backlog of 24 182 were serviced in Maluti-a-Phofung (Qwa Qwa rural). It is envisaged that the remaining 10 283 will be serviced during the remainder of the 2015/2016 financial year and the 2016/2017 financial year.

All 615 909 pre-2004 households were provided with **on-site sanitation** by the end of January 2016. An additional 29 915 stands were serviced in Maluti-a-Phofung, Qwa Qwa rural area, to eradicate the total backlog.

2 876 **Temporary jobs** were created through the implementation of MIG projects from July 2015 until January 2016, as follows:

- Adult Men: 824
- Adult Women: 281
- Young Men: 1273
- Young Women: 493
- Disabled Men: 5

The total number of 774 jobs created for women is not satisfactory and needs to be improved.

An amount of R14, 8 million from the **Provincial Infrastructure Fund** was spent in Moqhaka municipality during the year under review, on the following projects:

- Refurbishment of Viljoenskroon waste water treatment plant to the amount of R13, 3 million
- Design fees for an open drain channel, box culvert and 3.49 km paved block road in Phahameng Township in Viljoenskroon to the amount of R1, 5 million.

In the next financial year, the department, through the Department of Public Works, will commence with the massification of this project.

Honourable Speaker, Enviro Mobi is a support initiative aimed at improving municipalities' provision of basic services to communities. It includes provision of support to municipalities and implementation of direct interventions relating to water leakages, waste removal and electricity through interactions with municipal customers on reported concerns.

The above support initiative resulted in the creation of a platform called Municipal Rapid Response Platform (MURAPA), which is a unique environmental innovation and service delivery management platform designed to improve service delivery by responding rapidly to challenges relating to municipal infrastructure. Of the planned 1015 jobs, 350 jobs have already been created in Ngwathe, Naledi, Setsoto, Matjhabeng and Nketoana. Thirty (30) of these jobs are in the Call Centre.

The above programme is a mobile-based environment platform that allows municipal customers to access the Enviro Mobi contact centre for the registration of community concerns relating to municipal service delivery. Mechanisms ranging from a Call Centre, Enviro Mobi USSD and Environet were put in place to facilitate interaction between municipalities and communities. Enviro Mobi also consists of a rapid response unit that enables immediate attention to complaints lodged by the community regarding refuse removal and other municipal services.

The Enviro Mobi programme is executed in two phases, e.g. Phase 1 involves the planning of the project, while Phase 2 involves the implementation of the project. During the new financial year, the programme will be implemented in the following municipal areas only, primarily due to budget constraints:

- Matjhabeng
- Setsoto
- Ngwathe
- Naledi
- Nketoana

The remaining municipalities will be targeted during the 2017/2018 and beyond.

Honourable Speaker, since the inception of the Community Works Program (CWP), which contributes to the creation of parks and greening areas, 19

810 work opportunities were created within the Province (against the planned target of 21 500), amounting to a 92% participation rate.

In addition to 14 CWP municipal sites as reported in the previous budget speech, I am happy to announce that an additional four (4) new CWP sites have been established, taking the number of participating municipalities to 18. The four additional participating municipalities are Mafube, Nketoana, Dihlabeng and Masilonyana Local municipalities, with 500 participants allocated per municipality. The Mantsopa Local Municipality has also been allocated a further 500 participants, taking the number of participants to 1000 in this municipal area.

Madame Speaker, the CWP work is categorised into the following sectors across participating municipalities:

- Infrastructure
- Environment
- Social and Health
- Agriculture
- Education

Much work and continuous training is taking place in all of the above areas, for example in Koppies, in Ngwathe Local Municipality, an illegal dumping site was turned into a beautiful community park that was hailed as one of the best by Deputy Minister Andries Nel.

Honourable Speaker, we have contributed to drought relief measures across all our sites by providing 5000 litres of water to members of the community. Jojo tanks were also placed in various areas to assist the community with water storages, notably in Maluti-a-Phofung municipality.

Madame Speaker, our participants continue to make our communities clean and we urge the local municipalities to assist with garbage removal after our participants have cleaned illegal dumping sites. In the Tisha Vhanga area of Matjhabeng, I have instructed the participants to create a community park.

As a form of motivation and incentive, we have hosted a successful choir festival for all municipalities in Kroonstad, in Moqhaka Local Municipality, wherein different municipal towns showcased their various talents. We are pleased to indicate that we are waiting for the date of the competition to be announced by the MEC responsible for Sport, Arts, Culture and Recreation. There was a display of art work by Tokologo and Lejweleputswa municipalities. The CWP contributed dolls and wool blankets to Fouriesburg, Lerato Creche in Viljoenskroon. We will encourage them to do more of this work so that the Premier can make a donation to the community on Nelson Mandela Day this year.

We will be training our Local Reference Committees in the new municipal areas in order to capacitate local stakeholders about CWP and to empower them to undertake their oversight and monitoring role more effectively at the municipal level.

We have also assigned more personnel to CWP towards strengthening the monitoring capacity of the department. These officials will visit all CWP municipal areas and monitor the impact of work done towards developing targeted communities.

In improving public participation, 148 Ward Operational Plans were developed focusing mainly on the Back to Basic priority municipalities such as Ngwathe, Mafube, Nketoana, Matjhabeng, Tokologo, Phumelela, Nala, Maluti-A-Phofung, Naledi, Tswelopele, Masilonyana and Mohokare.

In preparation for the **2016 Local Government Elections**, in partnership with other sector departments, we focused our training programmes during the year under review on core municipal processes such as municipal budgeting, IDP development processes, disaster management, local economic development, digital migration, know-your-service-rights-and-responsibilities, and services rendered by the South African Courts, targeting vulnerable groups such as women, youth and the disabled.

The process to review the Guidelines on the Establishment and Functionality of Ward Committees and the Development of Ward Operational Plans was finalized. The department is currently consulting with all local government stakeholders on the reviewed guidelines towards ensuring that it will assist us to achieve the goals of the National Development Plan and the Medium Term Strategic Framework as they relate to ward committees.

We indicated last year that the department will continue to assist municipalities with customization and adoption of municipal by-laws, focusing specifically on by-laws relating to waste management, water quality, environmental health and revenue enhancement. To this end, the business by-law regulation was published during the year under review for public comments and inputs. The purpose of the by-laws will be to ensure good business practices and standards within the municipal sphere. Once promulgated, the department will assist municipalities to customize by-laws in accordance with their unique needs. In speeding up the process, the department will closely monitor the extent to which respective municipalities promulgate the by-laws. The department is drafting a Municipal By-Law Manual for publication, which will encourage municipalities to enforce by-laws, guide municipalities towards promulgating and implementing these and enhance revenue collection and compliance with by-laws.

Madam Speaker, we have established a Legal Advisors Forum to provide a coordinated approach for the management of legal matters relating to municipalities, inclusive of the management of litigation within the municipal sphere of government.

Honourable Speaker, as the drought conditions still prevail in the province, the Provincial Disaster Management Centre facilitated the process of extending the drought disaster declaration in order to receive the required assistance and funding to mitigate the impact of the drought. The Honourable Premier of the province, Mr. E.S. Magashule, subsequently declared in the Provincial Gazette of 4 September 2015. We also resuscitated the Drought Provincial Joint Operations Centre to meet bi-

weekly, as well as the Provincial Drought Task Team who meets monthly towards discussing the response, relief as well as reconstruction and rehabilitation efforts.

Despite some good rains in isolated areas this year, the demand for water within the province still outweighs the availability of water. Dam levels are still decreasing and the situation will be exacerbated by the approaching winter season. The following mitigating measures are being implemented to soften the impact of the drought on the province:

- Advocacy on water conservation and water demand management, “War on Leaks” is being conducted. Surface water resource management is done through optimization of the operation of the Caledon and Orange River System.
- Ground water resources are managed through drilling and equipping additional boreholes.
- Invading alien plants are being eradicated.
- Rainwater harvesting is taking place in selected areas
- Water usage by households in accordance with prevailing water restrictions are monitored continuously.

The following non-governmental organisations, coordinated by the Provincial Disaster Management Centre, are currently providing assistance where necessary:

- Gift of the Givers Foundation

- Supply water, food parcels, animal feed, school, uniforms
- Drilling boreholes
- Building of mini-reservoirs
- Al-Imdaad Foundation
  - Supply water
- Operation Hydrate
  - Supply water
- I-love-Free-State NGO
  - Supply water
- Muslim Community of South Africa
  - Supply water

I can assure the community of the Free State that the Provincial Government, in partnership with private sector, is doing everything possible to soften the impact of the current drought. In this regard, I would also like to extend my sincere appreciation to the community of the Province for initiatives they have taken to assist communities affected by the drought.

Through the Premier's intervention, the department has received additional funding for the 2015/2016 financial year towards purchasing fire-fighting engines through the Government Garage, which will be designed and manufactured according to the specifications of Thabo Mofutsanyana and Xhariep District Municipalities. The procurement process has already commenced and it is foreseen that the fire-fighting engines will be delivered to the department during the 2016/2017 financial year.

Madame Speaker, as I've already indicated, we are in the process of preparing for the next generation of ward committees to be elected after the 2016 Local Government Elections. We will be issuing a notice in this regard very soon, instructing our municipalities to adopt the reviewed Guidelines for the Establishment of Ward Committees as policy.

I will also ensure that wall-to-wall ward committees are established in all 19 municipalities including Mangaung metro, and that they undergo intensive induction towards developing ward operational plans that will inform their functioning. All four District IGR Forums will also be re-established following the local elections, inclusive of their terms of reference, and we will monitor the extent to which such Forums meet regularly, at least quarterly, and resolutions taken by these Forums are implemented successfully.

Madame Speaker to facilitate the merger of Naledi Local Municipality and Mangaung Metropolitan Municipality in line with Section 14(5) Notice which aims to implement the decisions of the Municipal Demarcation Board, the department has appointed Transformation Manager in fulltime capacity to oversee the whole process. To date the following governance structures have been established:

- Political Change Management Committee whose Chairperson is MEC for COGTA; and
- Technical Management Committee which is led by the Head of Department.

The technical management committee and the respective technical task teams were also established to deal with all areas that pertains municipal areas of responsibility.

This merger will also be incorporating Soutpan and related farms in to the Mangaung Metro municipal jurisdiction.

Now that the current system of local government is reaching its 16<sup>th</sup> year of existence and in preparing for the 20<sup>th</sup> birthday of democracy, it is important that we take stock of our limitations in complying with prevailing legislation.

For this reason, I will:

- ensure that municipalities have developed mechanism and procedures for community participation, especially the vulnerable groups;
- ensure that municipalities have put in place Complaints and Compliments Management Systems as a tool to handle amongst others petitions and community complaints; and
- ensure that, as part of the first pillar of the Back-to-Basics Programme, all municipalities in the Province are implementing the Batho Pele Service Standards Framework for Local Government.

The department launched the Back to Basics Programme late in 2014, anchored on the following five pillars:

- Putting people first
- Delivering Basic Services

- Good governance
- Sound Financial Management
- Building Capacity

In ensuring successful implementation of the Back-to-Basics Programme, we established a Provincial Task Team, supported by District Crack Teams, to monitor the extent to which municipalities implement Back to Basics Action Plans. A number of progress reports in this regard have already been tabled at the PCC, MINMEC, and MECLOGA. Phase 2 of Back to Basics Programme will henceforth be rolled out by the District Crack Teams.

Honourable Speaker, I am proud to announce that the Back-to-Basics Programme already yielded positive results in that the Thabo Mofutsanyana District Municipality achieved a clean audit outcome and that the audit outcomes of the Letsemeng, Mohokare, Tokologo, Nala, Tswelopele, Fezile Dabi, Metsimaholo and Setsoto municipalities have improved considerably as mentioned earlier in our budget speech. All in all, 12 municipalities in the province achieved unqualified audit outcomes, which can be directly attributed to the Back-to-Basics and other support programmes.

The involvement of sector departments during the implementation of the Back to Basics Programme however remains a serious concern, and I would like to call upon all sector departments to actively participate in the Back-to-Basics Programme continuously. Thus far, the only sector departments consistently participating in the Back-to-Basics Programme

are Provincial Treasury and the National Department of Water and Sanitation.

In our budget vote speech last year, we undertook to table the Free State Provincial and Local Houses of Traditional Leaders Bill in this House towards making provision for establishment of a Provincial House of Traditional Leaders, establishment of Local Houses of Traditional Leaders and the composition of the House. The said legislation will also determine the roles and functions of the Houses and provide for matters incidental thereto.

Madame Speaker, I am happy to report that we tabled the Free State Provincial and Local Houses of Traditional Leaders Bill before this House and we already appeared before the relevant Portfolio committee to discuss the Bill. I am humbly requesting this House to conclude the process towards enacting the Bill.

## **OUTLOOK FOR 2016/17 AND BEYOND**

Speaker in partnership with Provincial Treasury, the Department of the Premier, Eskom, DCOG, COGTA, SALGA, and Department of Public Enterprise a meeting was held on **16-17 February 2016**. The intention of the engagement was to allow for 11 defaulting municipalities in the province to provide the depth of their challenges and for us to understand what the key issues which these municipalities experience in order for these stakeholders to assist with solving the current outstanding debt crisis.

The department together with Provincial Treasury is working together in an endeavour to support municipalities to develop credible and realistic payment plans towards servicing Eskom and Water Boards debts. This effort will also address root causes of their challenges like electricity loss per municipality and inadequate technical capacity and other matters that led to the status quo.

We will continue to support the following municipalities to **supplement and enhance their internal audit capacity and consolidate progressive gains** made in Audit Turn-Around Plans:

- Mafube Local Municipality
- Mantsopa Local Municipality
- Matjhabeng Local Municipality
- Moqhaka Local Municipality
- Setsoto Local Municipality

To this end, an amount of R 19, 4 million has been made available for the 2016/2017 financial year.

Honourable Speaker, in ensuring improved access to basic services to all households in the Province, the department will facilitate the successful implementation of MIG projects amounting to R713 million in local municipalities during the forthcoming (2016/2017) municipal financial year. The allocation will be divided into the following services:

- 8% (R60m) for water

- 15% (R108m) for sanitation
- 32% (R230m) for roads, storm water and pedestrian bridges
- 16% (R116m) for sport, recreation and multipurpose facilities
- 8% (R58m) for solid waste disposal
- 5% (R36m) for Project Management Units
- 4% (R32m) for cemeteries
- 2% (R16m) for high mast lights
- 3%(R23m) for taxi ranks
- 4% (R28m) for fencing
- 1% (R6m) for other services such fire fighting and street trading.

The priorities within municipalities might change by the end of June 2016 when the final project implementation plans must be submitted to the Department of Cooperative Governance.

The department will monitor MIG spending within municipalities on a monthly basis to ensure the fast-tracking of service delivery; projects will be monitored through on-site visits. Quarterly MIG PMU meetings will take place, involving all municipalities, during which progress with MIG project, MIG spending patterns as well as the performance of the PMU will be monitored.

During the forthcoming financial year, we will also, given our mandate, assist and support municipalities in the following areas:

- MIG Performance Reporting, both financial and non-financial

- Capturing of project information on the MIG Management Information System (MIS)
- Technical assistance and advice
- Project implementation planning, and
- Evaluation on the performance of PMUs within municipalities

The preliminary allocation for Municipal Infrastructure through the budget of the department amounts to R42 million for the 2016/2017 financial year, and more specifically as per the following categories:

- Bulk Infrastructure and Basic Services: R22m
- Water and Sanitation Interventions: R15m
- Water Laboratory Municipal Support: R5m

No allocations have as yet been made in the above regard due to it being an intervention fund.

Madam Speaker, our goal over the next few years is to improve the functioning of municipalities within the Province to better serve communities by getting the basics right. This will be done by facilitating the successful implementation of Phase 2 of Back-to-Basics Programme, thereby improving and restoring the confidence of the community. During this process, we will focus on amongst others the following:

- Moving dysfunctional municipalities to the next level, halting at risk municipalities from becoming dysfunctional and maintaining well performing municipalities on their current level of performance.
- Improving the performance of and building an effective system and resilient institutions of local government.
- Mobilising multi-departmental teams to address dysfunctional municipalities (by amongst others mobilizing national and provincial resources).
- Strengthening community engagement and local government accountability to citizens through innovative platforms (e.g. social media, community radio).
- Strengthening communication and feedback on success stories.

During the year under review, the Department procured six Mercedes Benz' for the Executive Committee Members of the HTL and other Traditional Leaders; during the coming year, the Department will **continue to support Traditional Leadership** as follows:

- Thirteen (13) vehicles will be procured for the 13 Traditional Councils to be used as tools of trade by Traditional Leaders.
- The monthly allowances paid to Traditional Councils will be increased in line with the CPI, and more specifically during the adjustment budget.
- The sitting allowances for Members of Traditional Councils will increase in line with the upper limits as gazetted by the President.

- Morena e Moholo (King), Thokoana Mopeli, as King of Bakwena, and Morena Montoedi Mota, as the Principal Traditional Leader of Batlokoa, will also be inaugurated.
- We will embark on the reconstitution of Barolong boo Seleka Traditional Council during the new financial year.

Honourable Speaker, we commit ourselves to strengthen our support and assistance to all municipalities in the Province over the next three years, especially struggling municipalities. Each and every municipality within the Province must be fully functional and efficient, thereby ensuring that we deliver services of a good quality to our people who need reliable and efficient services. We will continue to perform our oversight function towards ensuring increased public participation in local government.

We call upon all role-players in local government to work hand in hand with us over the next few years towards ensuring that municipalities improve their management systems and practices, and appoint skilled and competent personnel towards improved municipal service delivery. *Together, we can do more to make our beloved country a better place to live in.*

Madame Speaker, as Abraham Lincoln once said, “You can fool some of the people, all of the time, and you can also fool all of the people some of the time but you can never fool all of the people all of the time.” We really have a good story to tell in human settlements delivery in this province and we are going to redouble our efforts to move the Free State forward. Anybody that disputes or questions our impeccable and enviable track

record will be seeking to “fool all of the people all of the time” which feat is impossible, irrational and illogical.

Honourable Speaker, let me take this opportunity to thank the Premier and Members of the Executive Council for their continued support. I would also like to thank Members of the Portfolio Committees and the Legislature, the House of Traditional Leaders and the entire Traditional Leadership, the Heads of the Department and staff, all municipalities, SALGA Free State and my organisation, the African National Congress for their inexorable support and guidance.

Let me thank my family for always being by my side. On my own, without their support and nurturing, I could not do this work.

On this note, Madame Speaker, I hereby present the budget vote of the Department of Human Settlements as appended.

Ke a leboha.

# ANNEXURE A

## Vote 8

2016-2017

### Cooperative Governance & Traditional Affairs

Programme	Amount	Percentage of Budget
Administration	133 006	33%
Local Governance	123 111	30%
Development and Planning	101 696	25%
Traditional Institutional Development	40 115	10%
House of Traditional Leaders	9 668	2%
	<b>407 596</b>	<b>100%</b>

Economic Classification	Amount	Percentage of Budget
Compensation of Employees	199 658	49%
Goods and Services	113 184	28%
Transfers and Subsidies	84 746	21%
Capital Assets	10 008	2%
	<b>407 596</b>	<b>100%</b>

Transfers and Subsidies		Amount	Percentage of Budget
<b>Province and Municipalities:</b>			
Municipal Infrastructure	36 924		
Financial Assistance: Municipalities	44 879	81 803	97%
<b>Households: Other</b>		1 205	1%
Non-Profit Institutions: Traditional Affairs		1 738	2%
		<b>84 746</b>	<b>100%</b>

#### PROVINCIAL FUNDING

<b>Equitable Share:</b>	<b>331 382</b>	<b>%</b>
Of which earmarked for Operation Clean Audit	19 411	17%
Of which earmarked for Municipal Financial Intervention	16 685	15%
Of which earmarked for Municipal Financial Intervention Xhariep	17 000	15%
Of which earmarked for Bulk Infrastructure and Basic Services	21 924	20%
Of which earmarked for Fire fighting equipment	5 000	5%
Of which earmarked for Water and sanitation intervention	15 000	13%
Of which earmarked for Water laboratory municipal support	5 000	5%
Of which earmarked for Municipal support (Settlements)	11 194	10%
<b>Total earmarked funds</b>	<b>111 214</b>	<b>100.00%</b>

<b>ANNEXURE B: VOTE 13 - HUMAN SETTLEMENTS</b>		
<b>Vote 13</b>		2016/17
<b>Department Of Human Settlements</b>		
<b>Programme</b>	<b>Amount</b>	<b>Percentage of budget</b>
ADMINISTRATION	98 423	7.37%
HOUSING NEEDS, RESEARCH & PLANNING	23 514	1.76%
HOUSING DEVELOPMENT	1 212 157	90.76%
HOUSING ASSETS MANAGEMENT PROPERTY MAN	1 410	0.11%
<b>TOTAL</b>	<b>1 335 504</b>	<b>100%</b>
<b>Economic Classification</b>		
	<b>Amount</b>	<b>Percentage of budget</b>
Compensation of employees	162 610	12.18%
Goods and services	44 747	3.35%
Interest and rent on land	-	0.00%
<b>Transfers and subsidies</b>	<b>1 124 982</b>	<b>84.24%</b>
<b>Payments for capital assets</b>	<b>3 165</b>	<b>0.24%</b>
<b>TOTAL</b>	<b>1 335 504</b>	<b>100%</b>
<b>Transfers and subsidies</b>		
	<b>Amount</b>	<b>Percentage of budget</b>
<b>Capital transfers and Subsidies</b>	<b>1 121 396</b>	<b>99.68%</b>
Earmarked Funds (Demolition and building of 2 roomed houses)	50 000	4.44%
Human Settlements Development Grant (R1 098 411 - R24 634 - R4 281 - R100)	1 069 396	95.06%
Expanded Public Works Programme	2 000	0.18%
<b>Current transfers and Subsidies</b>	<b>3 586</b>	<b>0.32%</b>
Higher education institutions	1 081	0.10%
Households	2 505	0.22%
<b>TOTAL</b>	<b>1 124 982</b>	<b>100%</b>